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MR. PAUL F. MANLEY  
17917 SCHNELEY AVE.  
CLEVELAND 19, OHIO

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# FOREIGN POLICY BULLETIN

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## U.S. IN NEW ROLE MUST DO MORE THAN STOP RUSSIA

PRESIDENT TRUMAN'S appeal of March 12 to Congress for aid to Greece and Turkey with the object of checking the further spread of Russia's influence has had a catalytic effect, bringing to a head many of the conflicting forces at work in the post-war world. Its repercussions will keep on multiplying as its ultimate implications become more clear. For the moment three main conclusions emerge from the discussion precipitated by the President's blunt reassessment of this country's foreign policy: that American intervention in world affairs is inevitable; that it may assume the character of what we once denounced as imperialism; and that, to be constructive from the point of view of this country and the rest of the world, it must be based on something more than fear of Russia and of Communism.

**U.S. INTERVENTION INEVITABLE.** An outstanding aspect of Mr. Truman's appeal was his recognition of the need for continuing American participation in world affairs in time of peace—as contrasted with the spasmodic interventions on which the United States has hitherto embarked in two world wars. This intervention is a direct result of the profoundly altered position of the United States which, in less than two centuries, has grown from a handful of colonies planted in the wilderness of a new continent to the status of the strongest industrial, financial, naval and air power in the world. It is the change in the position of this country, rather than the decline of Britain, which has made it inevitable that the United States should play an increasingly important role in world affairs. Even if Britain had remained at the peak of the power it achieved in the nineteenth century, the United States, under its changed circumstances, would have become interested in the oil of the Near East, in strategic bases all around the globe for its naval and air forces, in

larger markets for the products of its expanded industries, and in the fate of ideological, commercial or military competitors like Germany, Japan and Russia. The weakening of Britain has not created a new role for the United States. It has merely speeded up our recognition that such a role is no longer avoidable. It would therefore be misleading to shape American policy solely or primarily on the current assumption that the United States must "inherit" Britain's world obligations. By the same token, it is nearsighted to oppose American intervention in world affairs on the ground that the United States is being inveigled or browbeaten by the British into assuming distasteful responsibilities abroad. The alternative to continuous American participation in world affairs is the return to the isolationism of the 1920's. All Americans who oppose isolationism must therefore recognize that our concern in world affairs, as stated by President Truman, is an inevitable outcome of this country's coming of age as a great power.

**WHEN IS INTERVENTION IMPERIALISM?** Opposition to the President's statement, however, will come not only from isolationists, but also from liberals who have consistently opposed Britain's "imperialism" and who fear that the United States will now follow the British example by seeking to control the internal affairs of all peoples whose existence may be of concern to us. Similar opposition has already been expressed by Europeans who, while anxious to obtain economic and military aid from the United States, are troubled by the thought that this aid will be accompanied by political domination. It would certainly be an illusion to believe that the intervention contemplated by President Truman in Greece and Turkey can be limited to the use of American experts, financed with American money, without supervision of their activities by Washington.

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ton. When comparable attempts have been made by private American experts to aid the reconstruction of other countries, as for example in Iran, the experts encountered insuperable difficulties in combating native vested interests and corrupt politicians who were more eager to make personal profit out of foreign economic aid than to advance the welfare of their own people. The United States will have to create strong safeguards against the possibility that American aid is similarly dissipated in Greece, Turkey, and other countries which may turn to us for assistance.

Such safeguards will involve some form of political supervision, which can readily be described both by American and foreign critics as "imperialism." One immediate result of this situation may be to make us less critical of the imperialism of other Western powers, as well as more aware of existing obstacles to the growth of democracy in various areas of the world. In the long run, however, what will be important are the methods the United States succeeds in developing for the administration of the funds it contributes to the reconstruction of other nations. Washington can escape at least some of the onus of imperialism by making as much use as possible of the agencies of the United Nations. While President Truman declared that, in his opinion, the current emergency in the eastern Mediterranean is too urgent to await action by the UN (where, in any case, it could be blocked by Russia's veto in the Security Council), once the machinery of aid has been started, it would be an act of statesmanship to entrust its operation to a United Nations agency where others than Americans would be represented. What might be lost in time would be more than offset in the effect on international morale and in experience gained by international handling of what is obviously more than a purely American problem.

**OPPOSITION TO RUSSIA NOT ENOUGH.** At the same time, it would be ostrich-like to pretend

### U.S. FACES CHOICE BETWEEN

In his address to Congress, President Truman requested legislative sanction for a restatement of the foreign economic policy of the United States to include a program of outright economic and financial assistance to countries opposing the spread of Communism, as contrasted with the more limited policy hitherto followed of giving foreign aid without direct political implications. Henceforth our resources are to be used abroad not merely to promote freer world trade but also to check Communism.

**GRANTS TO TURKEY AND GREECE.** To bridge the gap that would be left by the withdrawal of British economic aid to Greece by March 31, President Truman asked Congress to authorize the expenditure of \$250 million for the period ending June 30, 1948. One-half of this sum is to be spent on arma-

that our aid to Greece and Turkey is motivated primarily by concern for their economic problems, when the President has made it clear that what we seek to do in these countries is to establish a bulwark against Russia. This objective, if we are not careful, may vitiate an otherwise desirable and, in fact, inevitable policy of continuous American participation in world affairs. It is understandable that some of Russia's actions since the end of the war have aroused irritation, and even fear, in the United States. But a world policy based on irritation and fear is in danger of proving a sterile policy. The task of checking totalitarianism through economic reconstruction and improvement of human welfare obviously is greater and more complex than emergency aid to Greece and Turkey. Russia is not in a position, and will not be for years, to furnish economic aid to its neighbors. Meanwhile its political influence, seemingly strong, has been considerably undermined by direct contact between Russian armed forces and the populations of occupied countries—although the presence of these forces has unquestionably strengthened local Communist parties. What is needed on our part is something more than mere opposition to Russia, which could all too readily degenerate into support of any and all groups, however repugnant to American traditions, who resist Russia but also resist local reform movements. Now that the American people have been shocked by the President into awareness of the need for the United States to play an active role in world affairs, this country is in a position to take effective leadership in urging abroad the kind of reforms we would favor for our own people. We could then easily outbid Russia, not only by extending economic aid to achieve these aims, but also by holding out the promise that material progress can be combined with civil liberties and political democracy.

VERA MICHELES DEAN

### GIVING AND LENDING ABROAD

ments and military training, while the remainder will be used for general economic development. The \$150 million requested for Turkey will be expended on key industries and improvement of the transportation system. It was also indicated that both countries might require additional assistance from the United States. So far as Greece is concerned, the devastation wrought by the Germans during the war is without parallel. Turkey, by contrast, suffered no war damage, and has a fairly stable economy. Over 45 per cent of that nation's budget, however, is being spent on defense forces, leaving little margin for industrial development. Large outlays have also been made by the Greek government to finance military operations against the Communists who aim to seize control of the country. These internal disorders, in turn, have

largely paralyzed the poverty-ridden economy of Greece, which even before 1939 had one of the lowest per capita national incomes in Europe. Recovery, moreover, has been retarded by inefficiency in the administration of the Athens government.

**ECONOMIC ROLE OF U.S.** The plight of Greece reflects the extent to which the wealth of the world was destroyed during the war. Widespread poverty in Europe has been a major factor in the growth of Communism. Although the United States since the end of the war has advanced over \$12 billion in gifts and credits to promote relief and reconstruction in devastated areas, the assistance given some countries has not been large enough to permit restoration of social and economic stability. The end of the war, moreover, has not been followed by the requisite measure of understanding between the great powers which must prevail before world trade and finance can begin to thrive. It is now also apparent that the ravages of war have been seriously underestimated. Britain's diminished economic strength becomes increasingly evident. Its export drive is not providing enough dollar exchange, and the American loan may easily be exhausted much earlier than expected. In the case of France, a dollar shortage is also developing rapidly; sufficient export capacity to overcome the balance of payments problem has not been achieved. In short, the economic crisis is not confined merely to such traditionally poor countries as Greece. It also extends to nations which have hitherto had highly developed economies. The resulting stress and strain is reflected in increasing political cleavage between the Left and Right. If moderate groups are to prevail, as envisaged by the Marshall formula on China, more assistance must be forthcoming from the United States—the only great power enjoying undiminished economic strength.

**GIFTS OR LOANS?** In these circumstances, Washington has had to reassess its role in the post-war world economy. Free peoples abroad require more assistance, and the decision to make gifts,

rather than further loans, may prove inescapable. Credits already extended will severely tax the capacity of debtors to repay. As is well known, repayment of loans is best effected by increased exports to the creditor country. Unlike Britain, however, the United States has never found it necessary to have large imports. British imports in 1929 were 31 per cent of national income, while this country's imports were only 6 per cent of national income. Moreover, we have regularly had a large excess of merchandise exports over imports. Our trade position, as contrasted with that of the British, does not accord with the status of an international creditor. In the past the failure of the United States to buy more goods and services abroad has resulted in defaults on the part of the debtor countries.

The alternative to more foreign loans is the policy of giving, instead of lending, aid. Gifts, however, involve an internal problem of financing; they must come out of the government budget, and thus run counter to Congressional plans to reduce taxes and/or public debt. Yet whether through gifts or loans, it is to the advantage of the American people to share some of our wealth with other nations which seek to maintain or achieve freedom. Accelerated development of backward areas is in itself an important contribution to an ultimately larger volume of world trade and employment, and to resulting prosperity in which the American people would share. Not only will a greater demand for the products of American industry and agriculture develop, but there will also be created abroad a valuable outlet for the services of our engineers and technicians, who can contribute much to the economic advancement of other peoples. Although the resources of the United States are not unlimited, we have surpluses in many lines of production. To make these surpluses available abroad is a sound investment in promoting our way of life.

HAROLD H. HUTCHESON

*The Soviet Impact on the Western World*, by Edward H. Carr. New York, Macmillan, 1947. \$1.75

In this remarkably penetrating little book a former member of the British Foreign Office and editorial writer on the London *Times*, who is now professor of international politics at University College of Wales takes the view that Soviet ideas and practices have already had far-reaching influence on political, economic and social developments in the West—an influence which Mr. Carr neither fears nor deplores.

*Blood in the Streets*, by Albert C. Hicks. New York, Creative Age Press, 1946. \$2.75

A fast-moving account of Dictator Rafael Trujillo's sanguinary rule over the Dominican Republic by an American newspaperman who is frankly prejudiced against his subject.

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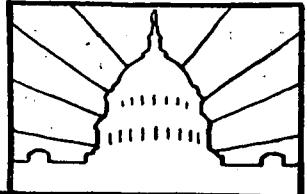
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# Washington News Letter



## U.S. PROTESTS SOVIET ACTIONS IN HUNGARY

President Truman's request that Congress give Greece and Turkey economic and military aid has momentarily eclipsed American interests in other areas of Eastern Europe. Yet it is widely believed in Washington that the President also intended to apply to the current Hungarian crisis his blunt assertion that the United States must "help free peoples maintain their free institutions and their national integrity against aggressive movements that seek to impose on them totalitarian regimes."

**U.S. PROTESTS RUSSIA'S ACTION.** American policy toward Hungary was summarized by Secretary of State Marshall on March 5, in a note which stated that this country considers the direct intervention of the Soviet High Command in Hungary "an unjustified interference in Hungarian affairs." In a second protest sent on March 17, the United States renewed these accusations and reiterated its belief that the action of the Communist minority "clearly threatens the continuance of democracy in Hungary."

Russian intervention in behalf of the Hungarian Communists, who won only 17 per cent of the votes in the November 1945 elections—as compared with the 57 per cent obtained by their chief opponents, the Smallholders party—is by no means a recent development. It is only within the past few weeks, however, that the United States has observed what it believes to be a clear-cut case of direct intervention on the part of the Soviet High Command. In February, after the Smallholders had refused to waive the parliamentary immunity of Bela Kovacs, one of their leaders whom the Communists charged with conspiracy, Russian Army officers arrested him for organizing espionage against the U.S.S.R.—a charge which Washington officials consider unwarranted.

At the same time, it must be recognized that, while Hungarian Communists active since the days of Bela Kun at the end of World War I, have proved themselves intransigent, opposition to Communism in Hungary during the inter-war years took the form of comparably intransigent resistance to reform movements, culminating in collaboration by a number of Hungarian leaders with the German Nazis. It would not come as a surprise to those who are familiar with conditions in Hungary between 1919 and 1939 to find that reactionary elements may have sought to reassert themselves, possibly counting on foreign aid against Russia. What is known is that the Smallholders party itself is divided on internal issues, those of its

members who represent richer landowners being at odds with members who represent the poorer farmers.

**WHAT ARE RUSSIA'S AIMS?** As seen from Washington, there are two main reasons for Russia's apparent decision to resort to direct intervention in securing the establishment of a Communist-controlled coalition government in Budapest. Moscow is finding, as the second anniversary of V-E Day approaches, that it has lost the enthusiastic friendship of almost all the anti-Nazi forces in Hungary which it enjoyed at the end of the war. Not only has the conduct of the Red Army aroused ill will, but the occupation forces' policy of living off the land—together with the collection of reparations from Hungary's limited current industrial production—has caused disillusionment. Above all, the more the Soviet High Command has identified itself with the Hungarian Communist party, the more the peasants, already anti-Russian, have tended to distrust Russia. Since the post-war land reforms have eliminated absentee landlords and given land to practically all former tenants and agricultural laborers, the peasants are satisfied—but now fear that the Communists might establish collective farms.

In the second place, Russia's policy toward Budapest is shaped by the consideration that its period of virtually unilateral control over Hungary's affairs is approaching an end. The peace treaty with Hungary, which is now in the process of being ratified, provides for withdrawal ninety days after ratification of all Russian troops except those required to maintain communications with the Soviet zone in Austria. In view of the fact that Hungary fought in Russia on the side of Germany, Moscow regards the future policy of the Budapest government with far greater concern than the United States, and wants to make sure that Hungary will not be used again, as it was by Hitler, for an attack on the U.S.S.R.

Whether Moscow will be dissuaded from its present course in Hungary by President Truman's outspoken opposition to Russian expansion through minority Communist dictatorships, is the subject of serious debate in Washington. Some State Department advisers believe that the President's statement on Greece and Turkey may cause the U.S.S.R. to take far more drastic steps than in the past to tighten its control over Hungary. Other observers contend that our Greek policy will strengthen the position of Hungary and its neighbors in Eastern Europe.

WINIFRED N. HADSEL